

**EXECUTIVE SUMMARY** 

# Understanding Global DEI Success: Corporate and Local Implications

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#### Introduction

The business world is increasingly global. Consider this: 90 percent of Seramount's <u>Chief Diversity Officers Collaborative</u> (CDOC) and <u>Diversity Best Practices</u> (DBP) partners have global operations, and those that don't have global operations rely extensively on the global supply chain.

Understanding local, country-specific cultural norms is vital to developing a talented and innovative workforce, maximizing engagement, and successfully navigating suppliers, customers, and clients. Yet Seramount's research finds that many DEI efforts, especially those that started in the United States, do not consistently or successfully reach local talent and markets. Our research examines the best ways to build global corporate DEI structures that maximize local cultural competence. This research is applicable to companies new to global corporate DEI efforts, to those struggling to succeed across different countries, and to those that have been in the space for some time but still see areas to continue to improve.

Seramount is uniquely poised to lead this research. Seramount's Global Inclusion Index is the only corporate DEI survey that benchmarks organizations by country, and it attracts a growing number of participants each year. Now in its fifth year, the index started with 15 countries and has expanded to study DEI efforts in 26 countries in Europe, Asia, Central and South America, Australia, the Middle East, and Canada. The Index looks at demographics collected in each country, results by job levels for gender and age, best practices around recruitment, retention and advancement, employee resource groups (ERGs), local and corporate commitment and communications, and supplier diversity.

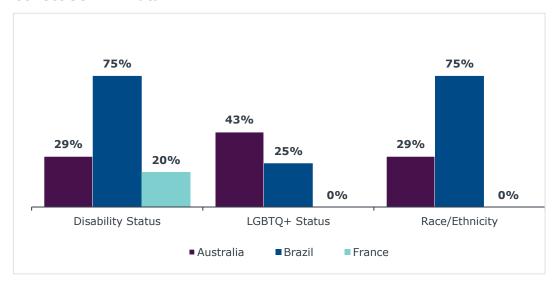
Seramount's global efforts aren't limited to the Global Inclusion Index. More than 10 percent of requests submitted for our custom research and advisory services are global in nature, and we hosted our first <u>Global EmERGe</u> in London in spring 2024.

## The Importance of Understanding Local Context

Seramount's Global Inclusion Index and our extensive qualitative research, including interviews with member global chief diversity officers (CDOs), reveals that many companies with extensive global operations are still unsure what to do when corporate and local values collide. For example, two Seramount partner organizations faced significant backlash from employees and customers in specific countries after posting LGBTQIA+ Pride flags and content on their global websites, giving them a difficult lesson in how values of corporate inclusion can clash with local cultures and laws. Understanding cultural nuances is critical to succeeding in different countries. Even within the same region, practices and beliefs may vary widely, so a country-specific approach to DEI is vital.

Like marriage equality and other laws, the laws that govern the collection of racial/ethnic data vary widely by country and therefore impact the abilities of companies to collect employee self-ID data around race/ethnicity and other key demographics. In this context, data from Seramount's 2023 Global Inclusion Index demonstrates how self-ID campaigns vary by country across demographic categories.

# Percentage of Participating Companies in Selected Countries That Collect Self-ID Data



Source: Seramount Global Inclusion Index

# **Get Your Scaffolding in Place**

Seramount's research identifies four key roadblocks that companies face to either getting started or expanding their global DEI operations:

- DEI is framed as a US issue. If employees and other stakeholders outside the United States view your DEI efforts as US-centric, they will not support your work.
- Limited budgets for DEI work
- Silos and diffuse responsibilities for staff, including having staff members who
  have other responsibilities and little time for DEI work and organizational
  structures that don't foster communication across teams
- DEI efforts must be both global and local, marrying corporate values and goals with local cultures and expectations.

Whether you're just getting started with your global DEI efforts or you're further along on your journey, we have identified three essential elements that enable global DEI programs to have the greatest impact:

1

**Dedicated Local Resources** leverage local talent to execute global DEI strategy.

2

**Executive Global DEI Councils** guide regional and local leaders to ensure that their work is connected to global organizational objectives.

3

**Culturally Appropriate Local ERGs** reflect country demographics and address the needs of historically excluded populations.

For each element, we offer suggestions both for organizations that are evolving and early in their global DEI journeys and for those that are more advanced in their global DEI strategy.

#### **Dedicated Local Resources**

Having local staff on the ground who can share ownership of DEI goals across geographies is crucial. These local staff should not only speak the language and understand the culture but also be grounded in the organization's corporate DEI values, metrics, and goals.

Evolving Organizations should start hiring local staff in key countries or even find volunteers who can wear "dual hats" with another full-time role within the company. Leaders in headquarters should share their corporate values of inclusion with local leaders, create formal channels for local voices to be heard, and establish policies and processes to deal with any conflicts of local and corporate values that arise. They should also establish formal DEI lines of communication between local and global leaders, where global leaders can communicate corporate values and goals and local leaders can share their unique insights and concerns.

Advanced Organizations will have local DEI staff in dedicated positions, including DEI country or regional leads, ERG coordinators, and global DEI council liaisons. These local leaders cascade corporate strategies and values downward. They share the global DEI team's goals, working with the global team to adapt them to suit their cultures and enabling in-country staff to make effective changes. When disparities between global and local values occur, leaders at both levels work together to find solutions before there is a crisis, such as a boycott. Global and local leaders should have regular meetings and may even want to consider using dashboards to communicate progress.

#### **Executive Global DEI Councils**

Global DEI councils are groups of senior executives who set policy and goals and calibrate them across countries, keeping organizational goals appropriate to local context. These may include goals around representation, inclusion, supplier diversity, and ERG activity. They guide regional and local leaders to see how their work fits in with the larger global corporate strategy.

Evolving Organizations may have an informal council of executives who primarily work out of the corporate headquarters. They should communicate directly with local leaders, disseminating broad corporate DEI strategy and fostering accountability for results.

Advanced Organizations should have formal councils with strong oversight over local/regional DEI and built-in accountability for executing global strategy. Local leaders report into regional councils, while regional leaders report into and/or sit on the global council. Councils meet regularly to discuss global alignment and proactively address local challenges. They communicate specific strategic goals and measure results by country and/or region and use data to define their diversity stories. They should have formal mechanisms in place to hold local leaders accountable for executing strategy, while allowing for local nuance.

### **Culturally Appropriate Local ERGs**

ERGs help connect local populations to regional and global colleagues. They can promote employee advancement and provide safe spaces, especially for LGBTQIA+ employees. Data from Seramount's Global Inclusion Index shows that groups for women, LGBTQIA+ (where allowed), and sustainability are the most common types of ERGs globally.

Evolving Organizations may have local ERGs that function primarily as affinity groups and may not necessarily be connected to broader networks. These ERGs have regular meetings for the local membership, but they may not communicate at all with ERGs in other countries. These ERGs are exclusively volunteer-led, with small budgets, and focus more on local concerns.

Advanced Organizations have local ERGs that are connected to their broader regional or global ERG networks. They hold their local ERGs to global governance standards and allocate funding to them. Their ERGs drive business goals, such as recruitment, promotion, and marketplace awareness, and are directly connected with the DEI function. Advanced organizations may have a dedicated global ERG lead and other designated local, regional, and/or global leaders overseeing the ERGs and ensuring that they are tied to business goals. The global ERG lead should facilitate open communication between ERG leaders across geographies and collate and share updates from local ERGs.

#### **Next Steps**

- Join Seramount's <u>CDO Collaborative</u> to gain access to the full research, including case studies from leading global organizations, toolkits, and partner intensives.
- Participate in Seramount's Global Inclusion Index for country-specific benchmarking. Survey for 2025 will open in January. Click <a href="here">here</a> to preregister.
- Register for our <u>Global EmERGe</u> conference, which empowers ERGs to navigate the global landscape and global policies surrounding DEI.